

**Administrative Bulletin 2016-2**

**Date:** April 27, 2016

**To:** All entities, including insurance companies, fraternal benefit societies, hospital service corporations, non-ERISA plans, managed care organizations, medical service corporations and health care centers, that deliver or issue individual and group health insurance policies in Minnesota

**Subject:** Student Health Plan Rate and Form Filing Requirements

The purpose of this Bulletin is to advise entities offering, delivering or issuing student health plan insurance policies in Minnesota of the rate and form filing requirements applicable under current state law and federal guidance for policies to be issued for the 2016 / 2017 school year and thereafter. In particular, the U.S. Department of Health and Human Services (HHS) released the Final Rule regarding Notice of Benefit and Payment Parameters for 2017 (NBPP) on March 8, 2016. This final rule, in part, established the following requirements under 45 CFR § 147.145:

Plan Materials: The NBPP final rule requires issuers of student health insurance coverage to specify the actuarial value and level of the coverage (or next lowest metal of coverage). This information must be included in any plan materials summarizing the terms of coverage. 45 CFR § 147.145 (b)(2).

Removal of Annual Limits: The NBPP final rule discontinues the requirement that student health insurance issuers provide notice informing students that the coverage does not meet the annual limits requirements under § 2711 of the Public Health Services Act. Student health insurance issuers are instead subject to the provisions in 45 CFR § 147.126, which prohibits annual dollar limits on Essential Health Benefits (EHB) for policy years beginning on or after January 1, 2014. 45 CFR § 147.145 (b)(2).

Single Risk Pool: Student health insurance issuers may establish one or more risk pools per institution of higher education, provided that the risk pools are based on a bona fide school-related classification and not based on a health factor as described in 45 CFR § 146.121. 45 CFR § 147.145 (b)(3).

Actuarially-Justified Rates: Student health insurance policy rates must reflect the claims experience of individuals who comprise the risk pool and any adjustments to rates within a risk pool must be based on actuarially-justified factors. 45 CFR § 147.145 (b)(2).

Actuarial Value: Student health insurance coverage is required to meet a minimum 60 percent actuarial value, as opposed to meeting any specific metal level. This provision will apply for “policy years” beginning on or after July 1, 2016 45 CFR § 147.145 (b)(2).

Form and Rate Filing General Instructions: Please consult the operational and administrative instructions for Minnesota's Student Health Insurance Rate and Form filing requirements on the Minnesota Department of Commerce's website at:

<http://mn.gov/commerce/#/list/appld//filterType//filterValue//page//sort//order/>

Recently added topics and required submissions include, but are not limited to:

- Checklist Guide - Minnesota Student Health Insurance:  
(<http://mn.gov/commerce/industries/insurance/filings-examinations/rate-form-filings/> )
- Student Health Insurance General Filing Requirements:  
(<http://mn.gov/commerce/industries/insurance/filings-examinations/rate-form-filings/> )
  - This webpage outlines submission requirements for the following:
    - General Form and Rate Filings
    - Summary of Benefits
    - Federal Prescription Drug Formulary Template
    - Actuarial Value Calculator Screen Shoots
    - Federal Rate Review Justification Reporting Requirements for Student Health Plans (Part II narrative for increases over 10%)

The Commerce Department has the authority to regulate the insurance industry under Minnesota Statutes § 60A.03, subdivision 2. The NBPP final rule clarifies that student health plans are within the individual market and, therefore, are regulated by the Commerce Department under Minnesota Statutes section 62A.65. 45 CFR § 147.145(a).

#### Questions

Questions on this bulletin may be directed to:

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Signed



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**Mike Rothman**  
*Commerce Commissioner*